

# FOREIGN POLICY BULLETIN

*An analysis of current international events*



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## ***Deadline Here for U.S. Decision on China***

United States policy toward China has gradually led us into a position in which we retain little initiative for constructive action. To break the present impasse, we need to reorient our thinking on several points.

### ***Reorientation Needed***

The first is that the new China regime is a going concern to which there appears to be no viable alternative, and that it will be shortly recognized by Britain and other non-Communist countries.

The second is that governments and ideologies which seem repugnant to Americans may not necessarily be repugnant to peoples elsewhere. So long as this is the case in China, as it is today, we shall not win many Chinese to our side by fulminating against communism, uttering threats or accusing the Chinese Communists of having forsworn their native heritage.

The third is that military Maginot lines are not, in the long run, going to stop communism in East Asia, unless they are backed by social and economic reforms far more basic than those heretofore contemplated. Nor will communism be stopped by creating regimes that only seemingly meet the aspirations of their peoples for national sovereignty.

Above all, however, we must be ready to study communism in East Asia in its own social and economic context. For example, to dismiss Chinese communism without further analysis as indistinguishable from a general abstraction labeled "communism" may be easy and emotionally satisfying, but it will hardly prepare

us to understand and deal effectively with the complex forces at work in China today. Now, more than ever, we must reassert our traditional spirit of free inquiry if we are to counter, and prevent ourselves from falling into, the sort of monolithic thinking characteristic of our ideological opponents which sees all things only in shades of absolute black and white.

### ***Issues for Decision***

So much for general principles. What are the specific factors which must be considered in China?

The first concerns the vital question of recognition of the Communist regime. It is one of the few in which we still retain the initiative. By continuing to give diplomatic recognition to the Kuomintang and refusing such recognition to its successor, we deliberately strip ourselves of all means of protecting our interests in China and reduce our influence there to the vanishing point. By doing the reverse we provide at least a possibility of changing the situation. This possibility diminishes, however, the longer we fail to make up our minds.

Our interests in China—both economic and cultural—represent a very considerable investment. More important, however, American missionary universities, hospitals and other institutions are transmitters of American friendship and Western ideals. It is significant that the Communists, despite their propaganda against Washington's policy, have allowed these institutions to continue operating, and that Chinese friendliness toward private Americans remains, for the most part, un-

changed. Consul-General Angus Ward's treatment was due not to the fact that he was an American, but to the fact that he was an official representative of the United States government.

The Communists are beset with very serious economic problems—problems they can better meet by retaining trade connections with the United States than by waiting for problematical Soviet aid, trying to pull themselves up by their bootstraps or relying wholly on trade with other countries. Trade offers the greatest hope at the moment for keeping open our avenues of contact and thereby of ideas.

### ***Neither Dictate Nor Appease***

Many Chinese, although resentful of America, remain dubious about Russia as well. They have found it hard to swallow the Communist thesis that Russia, which enjoys special privileges in Manchuria, is a non-imperialist country. The Chinese, like other people, resent any interference by outside powers. Because of American pressure, they have moved toward Russia. But if Russia pushes too hard, they may move in the opposite direction. The situation is more complicated than that, however, for even if America decides to stop pushing and withdraws from China entirely, it will thereby leave the Chinese with little alternative but to remain in the Soviet orbit.

It therefore appears dangerous and futile to oppose communism in China with force—for example, by supplying economic or military aid for the defense of Formosa. But to withdraw from China entirely is also costly and self-defeating. The one

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policy which offers hope of constructive achievement is that of trying to reach some kind of *modus vivendi* with the new forces in China. Such a course will not succeed if it involves either attempted dictation or appeasement on our part. Recognition will be meaningless, however, unless it includes insistence on those rights—not privileges—to which Americans in

China, like any other foreign group, are legitimately entitled.

The time is very short—some may say it is already too late, in view of Mao Tse-tung's visit to Moscow. But we cannot be sure of this before we try, and until we are sure, it is folly to turn to other courses that seem foredoomed to failure. The possibility still remains, if we are

willing to seize it, that China may prove a meeting-ground, rather than a battlefield, between East and West.

DERK BODDE

(This is the second of two articles on China by Dr. Bodde, Associate Professor of Chinese, University of Pennsylvania, who recently returned from a year in Peiping as a research fellow under the Fulbright program. The first article, "Why the Communists Have Won in China," appeared in the issue of December 30.)

## ***Can Indonesia Set Pattern for Southeast Asia?***

After more than three centuries of colonial dependence, a new nation joins the international community—the Republic of the United States of Indonesia.\* On December 27 at a simple ceremony in Amsterdam's Royal Palace, Queen Juliana officially transferred sovereignty to the peoples of this vast island empire.

Simultaneously, in Batavia, Java—which now resumes its ancient name of Jakarta—Indonesian and Dutch officials listened to the Amsterdam ceremonies by wireless, then raised the red and white flag of the new state. The next day President Sukarno flew from his revolutionary headquarters in Jogjakarta to enter the palace of the Dutch governors at Jakarta where, as one of his first official acts, he received the new Netherlands High Commissioner with ambassadorial rank, Hans M. Hirschfeld, who has been sent on behalf of the regime which took Sukarno himself a prisoner just one year before.

On December 28, also, President Truman proclaimed the formal recognition by the United States of the infant republic and pledged the support of "all who believe in democracy," thus joining the throng of Western and Asian countries which quickly acknowledged the birth of the new state. H. Merle Cochran, former chairman of the UN Commission for Indonesia, had already presented his credentials as ambassador in Jakarta.

### ***Imperialism in Decline***

This transfer of sovereignty marked the denouement of a drama which began shortly after Vasco da Gama rounded the Cape of Good Hope when the Portuguese during the sixteenth century established themselves along the shores of the once proud Javanese empire of Majapahit. The Dutch East India company in the next century ousted the Portuguese and gradually built up a commercial empire which was taken over by the Netherlands gov-

ernment during the nineteenth century and intensively developed until it became a mainstay for the prosperity of Holland.

The birth of the U.S.I. also marks the continued retreat of European imperial control before the rising Asian nationalism which, in the last four years, has brought independence to seven Asian countries with a population of more than half a billion. Naturally economic interests, national pride and strategic necessities have made it difficult for the colonial powers to abandon their former possessions, even when some form of voluntary association, as in the Netherlands-Indonesian Union, is retained. These motives have now been reinforced by another consideration. The danger that independent Asian countries, lacking well-organized and popularly supported governments, may disintegrate into chaos or fall under the control of a disciplined Communist minority has been demonstrated in Burma and China. The resulting extension of police-state methods and of Russian influence alarms the West which sees in it a threat to its democratic ideals, its economic interests and its national security. The colonial powers face an unhappy choice between bowing to rampant nationalism and exhausting their own limited resources in an all-out, and probably fruitless, colonial campaign.

### ***U.S. Problems***

The United States, which was never dependent on colonies and has from its inception professed the doctrine of national self-determination, has had to reconcile its sympathy for nationalist movements—demonstrated by the grant of independence to the Philippine Islands—with its desire to strengthen Western European countries, which are reluctant to abandon their colonies.

The effectiveness of support for nationalism, moreover, has been limited by the incomplete awareness in this country of the full implications of the revolution which is transforming the Asian social

order. One consequence has been that the United States has sometimes backed dominant minorities already repudiated by the bulk of the population. It is evident that only governments which meet the needs and obtain the support of the bulk of the population will remain long in power. The Communist success in China is an index of America's failure to support leaders who could respond to the deep-rooted aspirations of the Chinese people. It should be recognized, however, that frequently Washington was confronted with a narrow choice between the opportunists and reactionaries on the one hand and the Communists on the other, there being no moderate groups in a position to offer effective leadership.

The United States also risks failure in Indo-China where it has had to choose between jeopardizing the insecure coalition government of France by intervention on behalf of a nationalist regime which is led by Moscow-trained Ho Chi-minh; or as an alternative, aiding the French in a colonial campaign which would probably push all Indo-Chinese nationalists, as well as many intellectuals in other parts of Asia, into the arms of the Communists. Washington sought to avoid this dilemma by strict non-intervention. Meanwhile, however, the approach of the Chinese Communists to the Indo-Chinese border may well resolve the issue without benefit of any positive action on the part of the United States. The French on December 30 signed an accord with Bao Dai, former Emperor of Annam, turning over administrative, judicial and economic authority to his Viet Nam regime, but withholding power over defense and foreign affairs. This grant—which remains to be ratified by the National Assembly in Paris—still fails, according to experienced observers, to give enough real power to attract many nationalists away from the standard of Ho Chi-minh's insurgent Viet Nam regime.

In February Ambassador Philip C. Jes-

\*For main terms of the Hague agreements see *Foreign Policy Bulletin*, November 11, 1949.

sup will preside at a consultation of American diplomats in Bangkok, and the Joint Chiefs of Staff will visit General Douglas MacArthur in Tokyo. They will be seeking guidance for a more positive trans-Pacific policy to replace the present course of waiting "until the dust settles." They will also look hopefully to Indonesia where the United States assisted at the birth of the infant state.

## *Middle Way for Indonesia*

Any Asian country forced to transform its traditional social order into a new pattern based on the example and overwhelming power of Western civilization may attempt to make the transition too rapidly, or it may retreat into its traditional mold. The radical Westernizers, eager to achieve the higher living standards and other amenities of industrialized societies, may try to attain these benefits quickly through precipitate renunciation of their own traditions, through centrally planned industrialization, immediate establishment of numerous social services and full political and economic equality.

Indonesia's extremely low per capita production rates and dependence on Western capital and skilled personnel for much of its existing industry and public services, however, prevent quick attainment of these goals. The average annual income for a peasant family in Java was estimated at less than \$30 before World War II, and the situation is worse today. Although more than one-fourth of Indonesia's national income went to 2.5 per cent of the population—largely European and Chinese—radical redistribution of this income would give only a slight increase in purchasing power for the nation. It might also drive from the country the ex-

perts, technicians and entrepreneurs, whose loss has been so severely felt by Burma in the wake of its swift nationalization decrees and expulsion of foreigners. It would discourage new investments and assistance which are desperately needed for national development projects, as President Sukarno acknowledged in his New Year's Day speech when he asked for foreign aid. At the same time there is an urgent need for reforms calculated to spread the burden of national expenditures more equitably, to relieve the curse of absentee landlordism—less of an evil in Indonesia than elsewhere in Asia—and to spread literacy and public health measures. President Sukarno also recognized this point in his speech by affirming the primary responsibility of the government to the workers.

The radical (or reactionary) traditionalists, by contrast, advocate return to an irrecoverable past. They preach anti-foreignism and anti-industrialism and glorify ancient customs and religious practices. This attitude is frequently strong among local aristocrats, peasants and religious groups. It is represented in India by the Hindu Mahasabha, one of whose members took the life of Mahatma Gandhi, by the Moslem Brotherhood in the Middle East or by the so-called CC clique which exercised a reactionary influence in China's Nationalist party. When, as in Indonesia, modern technology and dependence on world trade are far advanced, and non-indigenous population groups, a substantial Western-trained intelligentsia and a plantation proletariat have developed, such a policy would lead to internal conflict and tyranny.

The new Indonesian government, however, appears ready to steer a middle

course between these two dangerous extremes. The decision of Sutan Sjahrir, former Prime Minister of the Indonesian Republic and leader of the Socialist party, not to take a cabinet post leaves him free to lead the opposition. Consequently, Indonesian intellectuals who desire more rapid Westernization and social reform may follow Sjahrir's guidance. Otherwise they might have gravitated to the Communist party which, although greatly discredited and weakened following the abortive Madiun uprising in the autumn of 1948, still commands the services of several able men. The execution of Muso and Amir Sjarifuddin has been confirmed, but Alimin, another Communist, is still alive. Moreover, Tan Malaka, reputed anti-Stalinist Marxist who commands a substantial following, has reappeared despite previous reports of his death.

The danger from the reactionary camp may also be overcome. One fanatic Moslem group, the Darul Islam, is in open revolt but will probably be suppressed without too much difficulty. The far larger Masjumi party, the leading Moslem organization, poses a more serious problem. Formerly it was uncompromising in its nationalist position. At present, however, it is participating in the new government, and its leaders have joined in negotiating and ratifying the round table agreements. Consequently, the very extreme elements in the party may well be held in check by the more moderate leadership. The political foundation, therefore, appears to have been laid for the new government to tackle its grave responsibilities.

FRED W. RIGGS

(The first of two articles on Indonesia.)

## **FPA Bookshelf**

*How Can We the People Achieve a Just Peace?*  
South Hadley, Mass., Mount Holyoke College,  
1949. \$2.00

A collection of speeches given at the second annual College Institute on the United Nations held at Mount Holyoke College in the summer of 1949, with Ruth C. Lawson as director. Under the headings "Human Rights," "European Union," "Tensions in Asia," and "Outlook for World Stability," contributions are made by Francis Biddle, Ely Culbertson, Cord Meyer, Jr., Madame Vijaya Lakshmi Pandit, Carlos P. Romulo and Benjamin Cohen, among others.

*The New World of Southeast Asia*, by Lennox A. Mills and associates. Minneapolis, University of Minnesota Press, 1949. \$5.00

A timely and authoritative collection of articles by experts on the area, including Claude A. Buss, Amry Vandenbosch, John F. Cady, Charles A.

Micaud, Kenneth P. Landon, Victor Purcell, Roland S. Vaile and the editor. In addition to separate essays on each country, several chapters deal with the whole area, its international relations, and such questions as the place of the Chinese minorities and the problem of self-government.

*Understanding the Japanese*, by Cornelia Spencer.  
New York, Aladdin Books, 1949. \$3.75

A simply and sympathetically written account of the Japanese, their history, culture and attitude toward life.

*Lost Peace in China*, by George Moorad. New York, E. P. Dutton & Co., 1949. \$3.00

In this posthumous volume by one of the victims of the air catastrophe which took the lives of thirteen journalists on July 12 when they were returning from a visit to Indonesia, the author has recounted in an informal, anecdotal

style his travels and observations in China since World War II, including several chapters of firsthand reporting on Manchuria. He defends the record of Chiang Kai-shek, attacks America's policy, and warns against "Stalin's empire builders."

*The Chinese Conquer China*, by Anna Louise Strong. Garden City, New York, Doubleday & Co., 1949. \$3.00

An enthusiastic report on the success of the Chinese Communists based on personal observation, including long conversations with Mao Tse-tung and Chu Teh. In the light of Miss Strong's arrest and deportation from the Soviet Union on charges of espionage after the publication of sections of this book, one wonders if she ascribed more independence of thought and action to China's Communist leaders than the Kremlin was pleased to contemplate.



*The Economic Reports of the President*, with an introduction by the Council of Economic Advisers. New York, Harcourt, Brace & Co., 1949. \$2.75

A useful collection of five of President Truman's reports to Congress on the national economy. They date from January 1947 through the beginning of 1949 and thus present an important documentary source for the analysis of current problems.

*World Revolution in the Cause of Peace*, by Lionel Curtis. New York, The Macmillan Co., 1949. \$2.50

Arguing that relief from the fear of war is the key to the solution of all other problems, and that the basic revolution in America was the achievement of union through federation, the author of the monumental work, *Civitas Dei*, urges the establishment of a world federation and shows how this would help resolve various local and regional problems.

*Western Political Heritage*, by William Y. Elliott and Neil A. McDonald. New York, Prentice-Hall, 1949. \$9.00

A vast one-volume collection of readings on the theory and practice of politics from Moses to Truman, this compilation will be very useful to the special student and also to the general reader as a source-book. Introductory essays to each chapter place the selections in historical perspective and help point up their significance for contemporary problems.

*Documents on European Recovery and Defence, March 1947-April 1949*. London and New York, Royal Institute of International Affairs, 1949. \$2.50

This slim volume will prove a handy reference work for those interested in contemporary Europe. It brings together the basic documents from the Benelux customs convention and Dunkirk treaty to the North Atlantic pact and Council of Europe statute.

*To Dwell in Safety, The Story of Jewish Migration Since 1800*, by Marck Wischnitzen. Philadelphia, The Jewish Publication Society of America, 1948. \$4.00

Israel's acute present-day problems appear in fuller perspective when seen against the background of a century and a half of organized Jewish emigration from Central and Eastern Europe as a consequence of political persecution and economic want, culminating finally in the tremendous desire for a national homeland. Pictures, maps, statistics and full documentary notes add to the value of this study by a man who has spent years in research on Jewish problems and has had practical experience in work with emigrants.

*Human Rights, Comments and Interpretations*, a symposium edited by UNESCO. New York, Columbia University Press, 1949. \$3.75

Replies to a questionnaire on this fundamental subject received from outstanding authorities in many countries, including such well-known personalities as Mahatma Gandhi, E. H. Carr, Salvador de Madariaga, Jacques Maritain, Harold J. Laski, Benedetto Croce, Aldous Huxley and John Lewis. Soviet, Chinese, Indian and Moslem conceptions, as well as Western thought, are represented.

## News in the Making

**DEBATE ON CHINA:** Now that Congress has reconvened, a sharp debate cutting across party lines opens between those who believe that the United States should take a firm stand on Formosa, by force if necessary, and those who support the Administration's reported decision to consider limited financial and technical aid to Chiang Kai-shek but to eschew military action. Opening broadsides have been fired on one side by former President Hoover and Senators Taft, Smith and Knowland; on the other, by news dispatches from Washington summarizing decisions said to have been reached by President Truman. General MacArthur, whose authority has been invoked by supporters of military measures on Formosa, may be asked by Congress to present his views in person.

**ANGLO-AMERICAN DIVERGENCE?:** The American debate on China may complicate the relations of the United States with Britain, which is expected to recognize the Peiping regime early in the new year, and with the Asian nations which have already accorded recognition—notably India and Burma. Military action on Formosa is frowned on by the British, who fear it might lead to Chinese reprisals against their base at Hongkong. Meanwhile, Washington faces an immediate problem on China at Lake Success, where, as a result of customary rotation, T. F. Tsiang, representing the Nationalist government, is slated this month to become president of the UN Security Council. Three members of the Council—the U.S.S.R., India and Yugoslavia—have already recognized Peiping, and possibly two others—Britain and France—may follow suit during the period of his presidency.

**ANXIETY IN FINLAND:** Moscow's note of January 1 accusing Finland of harboring more than 300 Russian citizens listed as war criminals, supplemented by a list of 56 persons accused of high treason whose extradition the U.S.S.R. demands under the 1947 peace treaty, is regarded in Helsinki as an attempt to exert pressure on the eve of the Finnish presidential election. Electors are to be chosen on Janu-

ary 16 and 17 to choose the new President on February 15.

**BRITISH ELECTION:** The elevation of five British Labor M.P.'s to the peerage on January 1—including Minister of Defense A. V. Alexander, who becomes a viscount—is interpreted as a sign that the coming general election may be called for late February or early March.

**THE UN AND JERUSALEM:** The United Nations Trusteeship Council will meet in Geneva on January 18 to attempt the drafting of a statute for the internationalization of Jerusalem and to propose methods of implementing it. With Israel and Jordan adamant in their determination to hold the New City and the Old City respectively, the Council's efforts are expected to end in failure. Then the problem is likely to be referred again to the General Assembly.

## What Is Role of U.S. in World Trade?

Is it enough for us to give piecemeal, temporary economic aid in certain regions? Or must we now squarely face the problems of a long-term investment program abroad? To what extent have we reconciled our pleas for liberalization of trade policies by other nations with our own practices? DO NOT MISS:

THE UNITED STATES AND WORLD TRADE  
by Harold H. Hutcheson

January 1 issue

*Foreign Policy Reports*—25c.

Subscription \$5; to FPA members, \$4.

## Branch and Affiliate Meetings

\*ELMIRA, January 10, *Communism in China*, Knight Biggerstaff

\*NEW YORK, January 10, *Russia's Aims in Europe*, Joseph C. Harsch

POUGHKEEPSIE, January 11, *Some Fundamentals Toward an American Far Eastern Policy*, Gerald Winfield

ST. LOUIS, January 11, *The World Over*, W. L. Hemingway

UTICA, January 11, *American Foreign Policy and the Orient*, Brooks Emeny

\*BETHLEHEM, January 12, *Cooperation For One World*, Ruth Karpf

SYRACUSE, January 12, *The World Over*, Brooks Emeny

\*Data taken from printed announcement.

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